Daily Report

Latin America

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FBIS-LAT-95-144 *27 July 1995*

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Reportage on Results of Williamsburg Defense Summit

Communique on Demilitarized Zone

PY2607194195 Madrid EFE in Spanish
1638 GMT 26 Jul 95

[Quotation marks as received]

[FBIS Translated Text] Williamsburg, (USA), 26 Jul (EFE) — Brazilian Deputy Foreign Minister Sebastiao do Rego Barros reported today in Williamsburg (Virginia) that Peru and Ecuador agreed to demilitarize the conflict zone on the border of the two countries.

Do Rego Barros described the agreement as "extremely important for the continuity of the negotiations the two countries are currently holding, and a significant step for the establishment of confidence and peace" between the two countries.

Do Rego, whose official title is Brazilian Foreign Ministry (Itamaraty) general secretary, explained that the agreement was achieved on 25 July in Williamsburg. He added that the agreement complies with the commitments that the two rival countries accepted within the framework of the "Itamaraty Peace Declaration" that was signed on 17 January.

Do Rego said the agreement to demilitarize the conflict zone was achieved by generals from Peru and Ecuador who are attending the Defense Ministerial of the Americas, which closes today in Williamsburg.

On the eve of the agreement, Alexander Watson, U.S. assistant secretary for Latin American affairs; Argentine Defense Minister Oscar Camilion, and other Latin American colleagues agreed that a bilateral agreement was imminent.

Do Rego read this communique to the Defense Ministerial of the Americas:

"On behalf of the guarantor countries of the Rio de Janeiro Protocol — Argentina, Chile, the United States and Brazil — and also on behalf of Ecuador and Peru, I hereby announce that, in compliance with commitments accepted within the framework of the Itamaraty Agreement, the liaison generals from Ecuador and Peru agreed on 25 July to establish a demilitarized zone.

This agreement is extremely important for the continuity of the negotiations that the two countries are currently holding, and a significant step toward the establishment of confidence and peace.

The guarantor countries of the Rio de Janeiro Protocol are pleased over the achievement of this agreement. Likewise, they are pleased that it was achieved during this conference.

Ecuador and Peru maintain an old border dispute in the Condor Mountain Range. The two countries engaged in another armed conflict at the beginning of this year, which ended with the signing of a peace agreement on 28 February in Montevideo.

Despite the peace agreement, the two countries continued to uphold distanced positions because they believe in different interpretations of the 1942 Rio de Janeiro Protocol, which ended another armed conflict between the two countries.

Ecuador sustains that the 1942 Protocol is based on a "geographical error" that must be resolved. They say this error was caused by the scarce cartographic information available at the time. They add that pictures of the area taken much later establish the territory in dispute is not precisely as it was believed to be when the Rio de Janeiro Protocol was signed over 50 years ago.

Ecuador upholds a revision of the old border delimitation on the basis of a line that would extend from the San Francisco Gorge to the confluence of the Yaupi and Santiago Rivers.

The Quito government believes that since peace was finally established on 28 February in Montevideo, the guarantor countries of the Rio de Janeiro Protocol — Argentina, Brazil, Chile and the United States — must help Ecuador and Peru in the negotiations.

The peace treaty was achieved through a prior commitment achieved on 17 January 1995 in Brasilia, where the "Itamaraty Declaration" was signed.

On that occasion — and 11 days later in Montevideo — Peru and Ecuador agreed "to undertake a dialogue to find solutions to the 'impasses' that prevail among the two countries."

In view of this commitment, Ecuador strived "to reopen" negotiations on the basis of the border situation as established in the Rio de Janeiro Protocol.

Peru believes "the start of negotiations does not imply a revision of the Rio de Janeiro Agreements on the delimitation of the Border."

Further Details on Demilitarized Zone

PY2607231095 Madrid EFE in Spanish
2022 GMT 26 Jul 95

[FBIS Translated Text] Brasilia, 26 Jul (EFE) — The demilitarized zone between Ecuador and Peru may only exclude Coangos, in Ecuador, and Watch Post One (PV1), in Peru, if exceptions are made with the

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authorization of the Mission of Military Observers for Ecuador and Peru (MOMEP), according to the agreement signed by the two countries in conflict on 25 July.

The document, made public in Brasilia today during a ceremony that was attended by the ambassadors of the guarantor countries and of the countries in conflict, states that the "demilitarized area will be defined as a zone in which no forces or military elements of the two parties may be introduced," aside from exceptional occasions.

In the case of such exceptions there will be a maximum of 50 men, with individual weapons. Moreover, no military flights may be carried out over that zone without the MOMEP's authorization.

It was stated that the demilitarized zone is defined by the terrain or ground and airspace within the following coordinates, drawn with straight lines: 9607000-789000, 9607000-81300, 9622000-81300, and 9656000-789000 [coordinates as received].

The agreement, which, according to the guarantors (Argentina, Brazil, Chile, and the United States), represents a definite step towards achieving a peace agreement, was signed on 25 July at the Brazilian Embassy in Lima by Generals Cesar Duran-Abad of Ecuador and Daniel Moura Zevallos of Peru.

The document states that the MOMEP "will be tasked with enforcing the rules of the demilitarized area and maintaining the proper balance of forces on each side."

A press communique issued in Brasilia goes on to point out that "the troops currently stationed in the area will be maintained there to contribute to the mutual confidence necessary for the complete success of the peace process."

The demilitarized zone will go into effect on 1 August, "with the understanding that it in no way passes prior judgment with regard to the rights and legal positions of either side and will apply solely to the application of the guidelines established for the demilitarized zone."

The communique adds: "The results of the negotiations are regarded as imminently positive for the peace process, as a result of the good will and spirit of cooperation shown by the representatives of the two parties at all times."

The next step will be to define the role the MOMEP will play. The rank of the MOMEP members will be lowered and their number reduced. The function of the MOMEP within the demilitarized zone in the Amazon region also remains to be determined.

The document was issued in Brasilia during a ceremony attended by Argentine Ambassador Alieto Guadgni; Chilean Ambassador Heraldo Munoz; U.S. Ambassador Melvyn Levitsky; and Ivan Cannabrava, under secretary for political affairs of the Brazilian Foreign Ministry.

Ecuadoran Ambassador Cesar Valdivieso and Peruvian Ambassador Alejandro Gordillo were also present.

Cannabrava, spokesman for the guarantor countries at this meeting, noted the importance of the agreement and said that from now on the role played by the support group should be minimal because it is up to the Andean countries to speed up an agreement to definitively solve the conflict.

Peruvian Minister Views Peru-Ecuador Accord

PY2607232395 Madrid EFE in Spanish
2151 GMT 26 Jul 95

[FBIS Translated Excerpt] Williamsburg, 26 Jul (EFE) — Peruvian Defense Minister Victor Malca said today in Williamsburg that the status of the Ecuadoran post "Banderas" is not clear in the demilitarized zone agreement signed by the two countries as a prior step to a definitive peace.

Alexander Watson, U.S. assistant secretary of state for inter-American affairs, confirmed to EFE that that military post "is not included in the demilitarization agreement" between the two countries in conflict.

The United States, together with Argentina, Brazil, and Chile, is a guarantor country of the Rio de Janeiro Protocol signed by the two countries on 29 January 1942.

The two countries engaged in a military conflict between 26 January and 28 February due to border disputes in the Amazon region, and have maintained a cease-fire since the intervention of the Rio Protocol guarantor countries. The Protocol ended a terrritorial dispute in 1942.

Minister Malca said that the demilitarization agreement signed by Peru and Ecuador was negotiated in Lima by the guarantor countries and was signed on 25 July.

He added that initially the negotiations will be centered on the separation of forces and that representatives of Peru and Ecuador will meet, "but I cannot say when."

Watson said that the historic c tment to a demilitarized zone between Ecuador a ru does not include the "Banderas" post, but adde "everything will be negotiated between the two p s."

Sebastiao do Rego Barros, puty foreign minister of Brazil, today announced agreement reached by Ecuador and Peru on 25 July ring the first meeting of

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defense ministers of the Americas, which ended today after three days of sessions.

Watson said that the governments of Ecuador and Peru are beginning "this very day" to take the necessary steps for the demilitarization of their border in the Amazon region, where the military clashes took place early this year. [passage omitted]

Peru's Defense Secretariat Head on Accord

PY2707003495 Madrid EFE in Spanish
2231 GMT 26 Jul 95

[FBIS Translated Text] Lima, 26 Jul (EFE) — Lieutenant General Orlando Butron Horna, chief of the Peruvian National Defense Secretariat, today asserted that the agreement to establish a demilitarized zone between Ecuador and Peru fulfills Article No. 5 of the Itamaraty Peace Declaration.

Article No. 5 of the declaration calls for "an immediate implementation, as a means to promote confidence in the border zones not directly involved in the clashes, and with the supervision of the guarantor countries, of a gradual and reciprocal demobilization, with the return of the units deployed during the military operations to their garrisons and bases."

Thus, Butron said, the pending negotiations between Peru and Ecuador regarding a peace agreement that will definitively solve the border "impasse" will continue.

Butron Horna made these statements during a news conference held at Government Palace in Lima to disclose an official communique on the agreement regarding a demilitarized zone in the Upper Cenepa by Peru and Ecuador signed on 25 July at the Brazilian Embassy in Lima.

The agreement was disclosed today at the end of the Defense Ministerial of the Americas in Williamsburg.

The Itamaraty (Brazilian Foreign Ministry headquarters) Peace Declaration was signed on 17 February, to consolidate the agreement for a cease-fire (on 14 February) and avoid new confrontations that affected the relationship between Peru and Ecuador.

This document was signed by Peruvian Vice Foreign Minister Eduardo Ponce Vivanco and Ecuadoran Vice Foreign Minister Marcelo Fernandez, in the presence of the representatives of the guarantor countries of the Rio de Janeiro Protocol, that is, Argentina, Brazil, Chile, and the United States.

With this article of the Itamaraty Declaration, Article No. 6 is the only one whose fulfillment is pending. Article No. 6 calls for "beginning talks to find a solution to the prevailing 'impasses' as soon as the previous articles are fulfilled and a climate of relaxation and friendship between the two countries is restored."

Peru-Ecuador Accord Includes Banderas Post

PY2607234395 Madrid EFE in Spanish
2201 GMT 26 Jul 95

[FBIS Translated Text] Lima, 26 Jul (EFE) — The demilitarized zone in the Upper Cenepa will go into effect at 0000 (0500 GMT) on 1 August and will have an extension of 528 square kilometers, including, among others, the Ecuadoran watch post Banderas.

This is stated in a communique read today by General Daniel Mora Zeballos, Peruvian liaison officer with the Mission of Military Observers for Ecuador and Peru (MOMEP), at Government Palace in Lima.

The document, read before government members and media representatives at Sevillano Hall in Government Palace, gives the details regarding the demilitarized zone.

Only the watch posts Coangos (Ecuador) and PV1 [Watch Post One] (Peru) will maintain a maximum of 50 personnel, who will carry their individual weapons. No military flights may be carried out over the zone without the authorization of MOMEP, according to the communique.

Peru and Ecuador signed the agreement to demilitarize the zone of conflict between the two nations at the Brazilian Embassy in Lima on 25 July. The meetings held on 23 July, on the occasion of the Defense Ministerial of the Americas,, which ended today in Williamsburg, also contributed to this agreement.

Accord To Open Doors for Peru-Ecuador Talks

PY2707014595 Madrid EFE in Spanish
2340 GMT 26 Jul 95

[FBIS Translated Excerpt] Brasilia, 26 Jul (EFE) — The agreement to demilitarize a border zone between Peru and Ecuador in the Amazon region announced today in Brasilia by the guarantor countries of the Rio de Janeiro Protocol opens the possibility for the two countries to meet and negotiate their borderline in a direct and bilateral manner.

Upon announcing the extension of the demilitarized zone, Argentina, Brazil, Chile, and the United States, guarantors of the Rio de Janeiro Protocol — a 1942 agreement that established the borderline between Peru and Ecuador — voiced their hope that, from now on, they will play a smaller role to allow for direct negotiations between the countries in conflict.

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Through a press communique, the guarantors of the 1942 Rio de Janeiro Protocol state their "belief that the necessary conditions exist for the guarantor countries to be able to continue responsibly exercising the role entrusted to them."

Ivan Cannabrava, under secretary for political affairs of the Brazilian Foreign Ministry, asserted that "what is hoped is that Ecuador and Peru will establish a direct channel for dialogue." Cannabrava said this after disclosing that the guarantors hope to reduce their participation in the peace negotiations to allow the Andean countries to establish a direct dialogue.

According to the Brazilian diplomat, only direct negotiations between the Andean countries regarding their borderline will allow for a lasting solution to the conflict that has confronted them for decades and definitively eliminate the threat of war.

Moreover, the agreement between Ecuador and Peru regarding the demilitarized zone, to go into effect on 1 August, precedes the direct diplomatic negotiations the two countries must start to definitively establish their borderline. In the last 50 years alone, the border area has been the stage of three undeclared wars (in 1941, 1981, 1995).

Ecuadoran Defense Under Secretary Cesar Duran acknowledged in Quito that the demilitarization agreement represents "a great step to directly start diplomatic negotiations in the future on the key issue," that is, to fully establish the borderline.

Duran added that the procedure to concretize the demilitarization agreement and the control that will be established over this zone, as well as the first steps that will be taken to allow for direct negotiations "regarding the key issue," will be discussed during the next meeting in Brasilia.

This meeting will be summoned by the guarantor countries, which, together with the Ecuadoran and Peruvian governments, should establish new procedural rules for the members of the Mission of Military Observers for Ecuador and Peru (MOMEP), who supervised the agreements previous to the cease-fire, separation of forces, and military demobilization. [passage omitted]

For the time being, the military observers of the guarantor countries stationed on both sides of the Ecuadoran-Peruvian border will extend their stay in the Amazon region for another 90 days at the request of the countries in conflict.

All the points to be negotiated before the two countries start direct negotiations are part of the Itamaraty (Brazilian Foreign Ministry headquarters) Peace Declaration signed in Brazil on 17 February and ratified in Uruguay on 1 March. The MOMEP was initially supposed to supervise this declaration until mid-June. [passage omitted]

Brazilian Official on Peru-Ecuador Pact

PY2707011695 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2036 GMT 26 Jul 95

[FBIS Translated Excerpt] Brasilia, 26 Jul (AFP-NA) — The guarantor countries — Argentina, Brazil, Chile, and the United States — of the 1942 Rio de Janeiro Protocol that established the border between Peru and Ecuador today received "with deep satisfaction" the agreement signed between Peru and Ecuador to create a demilitarized zone on their border.

Ivan Cannabrava, Brazilian Foreign Ministry under secretary for political affairs, today said that the bilateral agreement has been "a very positive step" opening perspectives toward a definitive solution to the border conflict between Peru and Ecuador in the Condor Mountain Range, which was the object of armed clashes in January and February. [passage omitted]

Cannabrava recalled that the contacts held between the military liaison officers of Peru and Ecuador, Generals Daniel Moura Zevallos, of Peru, and Cesar Duran-Abad, of Ecuador, have been possible after the two countries exchanged prisoners, reopened the border, and normalized border trade.

The Brazilian official stressed that the agreement draws the two countries toward a peace agreement, to a considerable extent, thus demonstrating that "negotiated solutions are prevailing in the continent."

Experts Needed To Determine Banderas Inclusion

PY2707040695 Madrid EFE in Spanish 0113 GMT 27 Jul 95

[FBIS Translated Excerpt] Lima, 26 Jul (EFE) — Peru and Ecuador today reached an agreement after more than two months of uncertainty and suspense in the negotiations held within the framework of the peace process following the undeclared war that confronted them from 26 January to 28 February.

The agreement the two countries reached regarding the extension and contents of a demilitarized zone in the border region where they clashed has unblocked the peace process started in March under the supervision of the observers mission of the guarantor countries. [passage omitted]

The demilitarized zone agreed upon on 26 July will go into effect at 0000 (0500 GMT) on 1 August and will

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have an extension of 528 square kilometers, including, among others, the Ecuadoran watch post Banderas, according to the official communique read by General Daniel Mora, Peruvian liaison officer with the observers mission.

Today, however, Ecuador denied that the mentioned post is included in the agreement.

Also from Brasilia, it was reported that only experts in coordinates or military personnel can say whether or not Banderas is included in the agreement signed on 25 July at the Brazilian Embassy in Lima.

The agreement also states that only in PV1 [Watch Post One], in Peru, and Coangos, in Ecuador, will a maximum of 50 personnel, who will carry their individual weapons, be maintained. No military flights may be carried out over the zone without the authorization of the MOMEP [Mission of Military Observers for Ecuador and Peru].

OAS Urged To Play Key Role

FL2607194695 Bridgetown CANA in English 1608 GMT 26 Jul 95

[FBIS Transcribed Text] Washington, July 26, CANA — There is need for greater dialogue between the public and private sectors in the hemisphere about the movement towards an Americas Free Trade by the 2005, says Executive Director of Caribbean Latin American Action (CLAA), Peter Johnson. [sentence as received]

And to facilitate such dialogue, Johnson said the Organisation of American States (OAS) will be invited to play a key role in this year's Miami Conference on the Caribbean and Latin America, scheduled for December.

Noting that the OAS Special Committe on Trade (SCT) and its new trade unit "have made measurable progress" since last December's Summit of the Americas, Johnson said the hemispheric business community "needs to be aware of what has been achieved and to outline its own concerns to those involved in public policy."

Johnson said he met last week with Miguel Rodriguez, a former Venezuelan trade minister, who is now head of the OAS trade unit, during which there were meaningful discussions, particularly about the role of the private sector in the process leading to a FTAA [Free Trade Area of the Americas]. He added that the OAS Secretary General Cesar Gaviria will be invited to play a lead role in the dialogue between the public and private sectors at the Miami conference.

"One danger is the perception, on the part of certain sectors in the public policy both in the U.S. and the rest of the hemisphere that this process is going to go along inevitably. I am not certain we are in an inevitable process unless the business communities, both in the North and South of the hemisphere, are brought into the process for this is the real contituency," Johnson said in an interview with OAS television on Friday.

He said he was indeed happy that, from his discussions with OAS officials, as well as those from the Inter-American Development Bank (IDB), "there is an understanding of the need to involve the business community in the process."

The CLAA executive director pointed to the importance of the dialogue on the preparation of the smaller economies of the hemisphere for the participation in a free trade area, adding "the business communities in these economies must be involved in the process if it is to be meaningful."

Mexico Refuses To Participate in Peace Missions

PA2707004695 Mexico City NOTIMEX in Spanish 2238 GMT 26 Jul 95

[FBIS Translated Excerpt] Williamsburg, 26 Jul (NOTIMEX) — Mexican Ambassador Jesus Silva Herzog said today that his country refuses to take part in continental peace missions as the United States proposed in the Americas defense ministers' meeting that concluded here today.

Silva Herzog told NOTIMEX that "Mexico has adopted an attitude by which we do not participate in peace missions, especially because we want to very clearly safeguard the basic principle of nonintervention in other countries' internal affairs."

The diplomatic representative said that the more active participation of American countries in peace missions is "a voluntary and sovereign decision that each country has to make according to its own interests."

"We attended this meeting as observers because it is an important meeting, the first of its kind, and we must admit that it was conducted very well and that there was very active participation by all delegations," the Mexican ambassador said.

He said that his country participated in all the work groups held during the ministers' meeting, including the defensive cooperation meeting, which dealt with regional cooperation for counternarcotics and peace missions.

The Mexican official admitted that some of the countries expressed their support for greater continental participation in peace contingents, such as the current participation in Bosnia.

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"Many of the points broached at this meeting are in agreement with Mexico's point of view, such as improved regional cooperation, and the exchange of experiences is always useful," he said. [passage omitted]

Silva Herzog denied that the United States had officially proposed creating this force.

The Mexican ambassador added that the drug trafficking issue was broached in a ministerial meeting in very general terms.

He said that the participants expressed their concern for this problem and agreed that greater inter-regional cooperation would be desirable.

Police Director on Gore's Statements

PA2607151795 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 26 Jul 95

[Telephone interview with Colombian Police Director General Rosso Serrano, in Williamsburg, by Dario Arizmendi, Javier Ayala, and Judith Sarmiento; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] The big news for Colombians, in the past days, has been the U.S. vice president's exalted praise, in the name of the U.S. Government, to Colombia's bravery — as he textually stated — in the fight against drugs. Mr. Gore said the United States lauds President Samper and Defense Minister Botero who are confronting the traffickers, often at a very high personal risk, thus, showing tremendous personal courage.

[Ayala] The U.S. vice president made those comments in a speech to the defense ministers, Botero included, of 31 regional democracies and three delegates of as many countries who are meeting in Williamsburg, Virginia.

[Arizmendi] Yes, those compliments are definitely a radical change in the U.S. attitude towards Colombia. Colombian Police Director Rosso Jose Serrano is participating in this historical meeting at Williamsburg, Virginia in the United States. Gen. Serrano, good morning. We greet your from Caracol. It is 0716 in Colombia. How did you feel with all those very exalted kudos for Colombia and our Armed Forces by Mr. Gore?

[Serrano] Good morning [word indistinct]. Appropriately, I believe we received them with a great deal of satisfication because essentially the speeches [words indistinct] were to honor us and, especially, President Samper and Minister Botero. In fact, our delegation received many congratulations because of those statements. After the speech we had a recess and all the delegations congratulated the minister, Gen. Zuniga, and those of us who accompanied the minister. Truthfully, it was very inspiring because Vice President Gore did not mention any other country in his speech. So, we are very happy for this and believe the Colombian people should also be happy.

[Arizmendi] Yes, sir. Apparently, the concrete result of this meeting, after those merited kudos that the world has also applauded, will be a large increase in international cooperation for the struggle against drugs. How was this issue studied, Gen.?

[Serrano] Yes, I believe there was an afternoon meeting to specifically discuss [words indistinct] drug trafficking, wherein all the countries, all 34 countries meeting here, manifested their unswayable will to continue cooperating in the fight against drug trafficking or their decision to participate very actively, especially the member countries of the Andean Group, Argentina, Uruguay, Chile. All of them, practically, asserted that they have to back this struggle and that they must do what we are doing. I believe the summon made by the vice president, undoubtably awakened the consideration of all the countries, some of which, unfortunately, do not make a commitment because they say they are transit countries, do not have crops in their areas, and are thus, sometimes indifferent to this problem. However, I believe, this meeting has been very important and is the first one where I really see a strong spirit of cooperation. Almost the entire hemisphere, including the Caribbean island, where you know there are problems, are attending this meeting. It really was very satisfying to hear the praises for our president, the minister, and our country in an auditorium where 300 people had congregated. It really elates and satisfies one to see that our efforts have not been in vain.

[Sarmiento] Gen., several countries — Chile and Argentina, I understand — expressed reservations in regards to the suggestion made by the U.S. Vice President on the fusion of Armed Forces and Police Corps in the struggle against drug trafficking. As director of the Colombian Police, what is your position in this respect?

[Serrano] I believe each country has a different position. As you know, we have a recognized narco-guerrilla problem, and need support, for example, for [word indistinct] because the guerrilla has already downed helicopters. We have worked with the military forces very effectively because our problem is distinctive. There is marijuana, cocaine, poppy crops, narco-guerrilla, criminal organizations in Colombia and we have to join efforts to fight all of them. Other countries do not have those problems as much. They have to deal with airstrips, transportation, and problems dealing with the use of ports and airports. There were reservations but

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most countries did accept that undoubtably this is a problem of national security and that all forces and security organizations have to cooperate. This is the conclusion that was reached.

[Ayala] Gen. Serrano, Minister Fernando Botero asked the ministers meeting in Williamsburg, for logistical and technological support to combat the guerrilla. What is Colombia's philosophy and proposal to present this request at this specific forum?

[Serrano] I believe several petitions were made. For example, several countries, Guatemala, and El Salvador mainly, proposed that the sale of booby traps — as they call them — not be authorized. They proposed greater weapon controls. This is one of the basic problems. However, what was requested the most was cooperation in controlling the traffic of weapons and ammunition by those elements that harm both the civilian and military population. That is what I gathered at the meeting. It was yet another issue discussed by the 34 defense ministers.

[Sarmiento] Gen. Rosso Jose Serrano, thank you for accepting our call. We understand you are in a hurry to comply with your commitments over there. You have been very cordial in giving us your comments after this meeting, where Colombia's name has been mentioned positively, and they have lauded our country's efforts in the struggle against drug trafficking.

Editorial on Importance of Summit

FL2607194295 Bridgetown CANA in English 1407 GMT 26 Jul 95

[All quotation marks as received]

[FBIS Transcribed Text] Port-of-Spain, Trinidad, July 26, CANA — Following is the text of the editorial of Wednesday's EXPRESS newspaper:

"Twelve years ago, a military invasion of Grenada by the United States took place after the bloody split within the New Jewel Movement sharply pitted countries like Guyana and Trinidad and Tobago against Jamaica and the Eastern Caribbean States.

The Trinidad and Tobago government under Prime Minister George Chambers considered the U.S. action "regrettable" and refused to participate in, or condone the use of American military force against the murderers of Maurice Bishop and several of his Cabinet Ministers.

This was not however, the sentiment of the Caribbean man in the street, nor was it the judgement of this newspaper. The EXPRESS was so appalled by the massacre in Grenada that we called initially for action by other Caribbean territories to arrest the chaos in Grenada. Nor did we oppose the U.S. intervention when it finally came.

Subsequent to this terrible turn of events in the Caribbean affairs, there was much talk of forming a regional security grouping that would principally serve as a buttress against any more Grenadian adventures.

The so-called Regional Security System then went into effect — but with lukewarm support from countries like Trinidad and Tobago.

But seven years after the disaster that was Grenada, this country suffered its own bloody setback. It happened when a sorely misguided and fanatical group of men invaded a Parliament in session and proceeded to brutalise a Prime Minister and members of his Cabinet.

For six days, the vast majority of law abiding citizens in Trinidad and Tobago found themselves virtually under siege as the Jamaat al Muslimeen staged its attempted coup, murdering 24 people in the process and causing endless havoc and mayhem.

It remains to the credit of the Regiment that the insurgents were first contained and then forced into surrender, after which the rest is history. That we managed to contain this menace by our own military strength also remains a credit to our capacity to manage our own affairs and crises.

But given the kinds of international links that provide both the finance and the weaponry for modern terrorism, it is also clear that we need to maintain external links that can serve as founts of intelligence and even if push comes to shove, as military back up.

It is in this respect that the top level security meeting now taking place in the United States with some 32 Latin American and Caribbean countries is both timely and important.

The threat did not go away after July 27, 1990. The shocking murder, so far unsolved, of former Attorney General, Selwyn Richardson, is a reminder that in some ways the threat is arguably worse today than five years ago. Democracies should look out for one another, for all of us, because we encourage freedom of assembly and expression, are vulnerable to the fanatics who would exploit those very freedoms to enslave us all."

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Cuba

Ukrainian President Accepts Fidel's Invitation

FL2607173095 Havana Cuba Vision Network in Spanish 1630 GMT 25 Jul 95

[From the "NTV" newscast]

[FBIS Translated Text] Cuba is the focus of several demonstrations of solidarity in different parts of the planet. In Kiev, it was reported that Ukrainian President Leonid Kuchma today met with Sergio Lopez, Cuba's ambassador to Ukraine, and discussed bilateral cooperation. Kuchma accepted the invitation of President Fidel Castro, extended by Lopez, to visit Cuba .

Mercedes-Benz Renews Commercial Operations in Country

PA2607145895 Madrid EFE in Spanish 1810 GMT 25 Jul 95

[FBIS Translated Text] Havana, 25 Jul (EFE) — It was reported today, Tuesday, that the German automobile enterprise, Mercedes Benz, has renewed its commercial operations in Cuba and that its most advanced project calls for the installation of 200 motors in sugarcane cutting machines to begin working at the end of this year, for the forthcoming harvest.

Konrad E. Hieber, general manager of the German enterprise, said various companies have used Mercedes Benz motors on various activities, but never for sugarcane cutting.

Mercedes Benz has negotiated in recent months the signing of agreements for renewing and adapting spare parts and motors for the mobile section of the island's sugar sector.

In the next few months, Cuban experts of the steel and mechanical industry will go to Germany to hold seminars on the technical requirements of the equipment used in Cuba's sugar harvest.

Mercedes Benz will be the first publicly known firm that participates in financing the Cuban sugar industry since the government of the island announced in November that it will permit investments in that sector, considered to be the backbone of the Cuban economy.

On 12 July, the German firm opened a new general representation office in Havana. It is marketing its products through the joint enterprises MCV Commercial and MCV Services.

Its general manager has reported that the enterprise made studies and in 1991 opened an office in Havana, where it had initiated activities in 1913.

Konrad Hieber said: "We are here to develop projects with the transportation and industry sectors." In his opinion, "Cuba could be suitable for a company like ours; the possibilities exist not only in automotors, but also in other industrial products. We are convinced the necessary conditions exist and work can be expanded."

In July, Mercedes Benz initiated the marketing in Cuba of industrial vehicles, motors of all types, accessories, spare parts, and complete post-sale services.

In addition to opening plants in September in the provinces of Havana, Matanzas, Santa Clara, Camaguey, and Santiago de Cuba, and the creation of an assembling plant, the MCV Commercial will fundamentally sell industrial vehicles of that brand and diesel and gasoline motors for tractors, sugarcane combines, rice harvesters, and factories.

Moncada-95 Defense Readiness Exercise Begins in Camaguey

FL2007124395 Havana Radio Rebelde Network in Spanish 2300 GMT 19 Jul 95

[From the "Exclusive" program]

[FBIS Translated Text] Moncada-95 defense readiness exercise has began in Camaguey. All provincial and municipal defense committees, defense locations, and people involved in the Unified Vigilance and Protection System will participate in this exercise, which will test the potential to activate and practice appropriate measures to confront different crimes.

Moncada-95 principal participants are the people in Camaguey, who will also participate in testing the steps taken by civil defense to protect citizens, and the resources available to confront catastrophes.

Roundup of Politburo Members' Activities

FL2407000395

[FBIS Editorial Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 23 July.

Maria de los Angeles Garcia has chaired a ceremony marking the end of the 1994-95 academic year, stressing the school year's significance in Cuba's battle to maintain quality education despite the current conditions. The ceremony was held at Captain Roberto Rodriguez rural school, in Santa Clara Municipality, Villa Clara Province. (Havana Radio Rebelde Network in Spanish 2300 GMT 20 Jul 95)

Maria de los Angeles Garcia and Carlos Lage have attended an education assessment meeting in Havana,

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where participants discussed results of the 1994-95 academic year. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 23 Jul 95)

Maria de los Angeles Garcia and Jose Ramon Balaguer have participated in the main ceremony marking Children's Day in Cuba. The ceremony and festivities for the children took place in Bayamo, Granma Province. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 17 Jul 95)

Jose Ramon Machado Ventura has praised health workers at a medical sciences graduation ceremony in Bayamo, Granma Province. (Havana Radio Rebelde Network in Spanish 2300 GMT 21 Jul 95)

Jose Ramon Machado Ventura has helped launch a newsroom to cover the 26 July ceremony. The newsroom was launched in Guantanamo on 22 July. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 23 Jul 95)

Jorge Lezcano Perez has attended the fifth Latin American/Caribbean people's meeting in Nicaragua. (Havana Radio Rebelde Network in Spanish 2300 GMT 18 Jul 95)

Ulises Rosales del Toro has participated in a Union of Young Communists meeting, during which delegates to the "Cuba Vive" festival were elected. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 18 Jul 95)

Osmany Cienfuegos and Julio Casas Regueiro have helped launch the Sol Rio de Mares Hotel, in Holguin Province. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 18 Jul 95)

Yadira Garcia and Pedro Ross Leal have attended the Cuban Workers Federation's first municipal meeting in Matanzas Province. The meeting was held in Cardenas Municipality. (Havana Radio Rebelde Network in Spanish 0900 GMT 17 Jul 95)

Correction to Alarcon on Talks: 'Positive Climate of Mutual Respect'

PA1807141495

The following correction pertains to the item headlined "'Positive Climate of Mutual Respect,'" published in the 18 July Latin America DAILY REPORT, page 2:

Column one, paragraph six, only sentence make read: ...made on migratory matters, one of the few topics on which some progress has been reported in bilateral relations ever since Washington broke ties with Havana in 1961.

Through the agreements signed in September 1994 and last May, the United States pledged to grant no less than 20,000 visas annually to Cubans interested in traveling to the United States and to return those who attempt to emigrate to the United States illegally.

The U.S. Government also agreed to process more than 20,000 Cuban rafters confined at Guantanamo Naval Base who meet the requirements to emigrate legally.

Cuba, meanwhile, guaranteed that it would not prosecute or take reprisals against Cubans captured on the high seas and returned to the island.

Although both sides have expressed satisfaction over the agreements, which tend to normalize relations in one of the most disputed areas of the bilateral conflict, there are still complaints and differences on which the two sides are attempting to make progress at this meeting.

Cuban authorities are demanding the elimination of travel restrictions on Cubans residing in the United States and the elimination of the ban on monetary remittances to relatives on the island — measures adopted by Washington in retaliation for the rafters crisis, and which, so far, it has refused to rescind.

They also insisted... (providing previously omitted material and deleting editorial notation)

Haiti

Aristide Set To Announce Solution to Electoral Crisis

PA2707030795 Paris AFP in Spanish 0144 GMT 27 Jul 95

[FBIS Translated Text] Port-au-Prince, 26 Jul (AFP) — Following a meeting with Haitian political party leaders, President Jean-Bertrand Aristide declared on 26 July at the National Palace in Port-au-Prince that a solution to the electoral crisis "through dialogue" will be announced within 12 hours.

"We have agreed to discuss the realization of partial elections, a second round, and presidential elections afterward," said the Haitian president, who also met with three cabinet members from the country's leading political parties.

The officials in question are socialist ministers Jean Claude Bajeux (culture) and Anthony Barbier (public works), and Enold Joseph (social affairs), a member of the National Front for Change and Democracy (FNCD).

These parties, as well as most of the political sector, demanded the partial or total annullment of the first round of the 25 June legislative, municipal, and local elections, characterizing them as fraudulent. They are also demanding considerable changes within the Temporary

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Electoral Council (CEP), which they have accused of being biased in favor of the "Lavalas" presidential coalition, which won the elections.

These political parties announced that they will boycott the partial elections scheduled for 6 August, and the second round (the date for which has not yet been established) if they do not get satisfaction.

According to well-informed sources, two prominent members of the CEP may announced their resignations within the next few hours to end the crisis.

The United States, Haiti's foremost political and economic partner, admitted that various irregularities took place, but dismissed the possibility of an annullment. Washington stressed that the Haitian people had expressed themselves and that the elections had been "the freest and least violent" in the country's history.

FNCD, PANPRA, MDN, RDNP Withdraw From Electoral Process

PA2607211695 Port-au-Prince Radio Galaxie in French 1130 GMT 26 Jul 95

[Passages within slantlines in Creole]

[FBIS Translated Excerpt] Provisional Electoral Council [CEP] President Anselme Remy indicated on 24 July that the institution he is leading has not yet been officially informed of the decision of some political parties to abstain from participating in the rest of the ballot. Addressing journalists, Mr. Remy invited the political parties that have grievances against the electoral institution to come to discuss with him in order to settle their disputes.

Concerning the candidates previously registered under the banner of a political party and who now wish to continue the process despite their political parties' refusal to participate in the rest of the ballot, Remy promptly explained that the electoral institution first and foremost deals with candidates but not with political parties. However, after this statement by Remy, several officials of political parties (?vehemently) denied Remy's statement and ruled out any possibility to sit down with the CEP. Here is a report by Adler Aristilde.

[Begin recording] [Aristilde] Actually, following the serious irregularities and inadequacies they say they noted during the first ballot, many political parties are claiming in the press that they have withdrawn from the next steps of the electoral process. But the CEP is not aware [of that]. This is what Mr. Anselme Remy, president of the body in charge of carrying the legislative and municipal elections to a successful conclusion, has revealed to colleagues.

Party leaders outraged by this statement by the first official of the CEP reacted with the utmost vehemence. Former Senator Turneb Delpe, spokesman for the National Front for Change and Democracy [FNCD], says he is surprised that the CEP has not received the party's letter of which copies were distributed in the media, unless the institution headed by Anselme Remy has problems with its mail service, he commented. [passage omitted]

Mr. Serge Gilles of the Nationalist Progressive Revolutionary Party of Haiti [PANPRA] accuses the electoral body of wanting to cause the end or, at least, the decline of the parties by saying that he wants to deal directly with the candidacies concerning the registration of the candidacies in both the complementary [as heard] elections of 6 August and the runoffs. Gilles points out that he had formally notified the CEP that PANPRA did not want to continue to participate in the, quote so-called elections. [no reference to closing of quotation as heard] [passage omitted]

/Mr. Gilles, will you send the CEP another note to tell it formally, officially that..../

[Gilles, interrupting] /If we send one again, the CEP will say it has not received it. There is no blind worse than someone who does not want to read, who does not want to understand. Someone who has decided to be deaf, will be deaf no matter what you say. We have already sent a letter and you do have the photocopy of the letter. What else do you want me to tell you? Even if I send 10 letters, the CEP will always say that it has not received them. [passage omitted]/

[Aristilde] For its part, Mobilization for National Development [MDN] also denies vehemently this assertion of Mr. Remy that so far no party has clearly defined its position and duly expressed its withdrawal. MDN has written to the CEP and expressed its position clearly, exclaimed Hubert de Ronceray who continues to believe the current CEP is discredited, thus disqualified to hold elections once again. [passage omitted]

The Assembly of Progressive National Democrats [RDNP] through Mrs. Myrlande Manigat confirmed to us the nonparticipation of the party in the rest of the electoral process. This was the only political party of those we contacted on the morning of 25 July that stated that they had yet to notify the CEP of their decision to withdraw from the electoral race. Adler Aristilde for Galaxie. [end recording]

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Remy, Merisier Resign From CEP

FL2707115695 Port-au-Prince Tropic FM in French 1030 GMT 27 Jul 95

[Monitored in progress]

[FBIS Translated Text] [Begin Anselme Remy recording, in Creole] ...tend to attribute every misfortune and every happiness to an individual. Those who did not want elections, those who want to subject us to electoral bargaining say we are responsible. Those who have other interests that we have refused to satisfy, want to make us — that is, President Anselme Remy — responsible for everything. This is why I have decided to resign as president of the Provisional Electoral Council [CEP] tonight. I am resigning as a member of the CEP. [end recording]

Let us recall that six political parties answered on 26 July the invitation of the Haitian presidency in its steps to relaunch the electoral process. Three of the representatives of those parties — including Anthony Barbier of the Nationalistic Progressive Revolutionary Party of Haiti, minister of public service, and Jean-Claude Bajeux [second in command] of the National Congress of Democratic Movements, minister of culture — are part of the governmental apparatus.

[On 27 July between 1030 and 1100 GMT several radio stations including notably Signal FM, Metropole, Galaxie, Nationale, and Tropic FM reported that CEP President Anselme Remy and CEP member Jean-Francis Merisier have resigned from their posts within the CEP and that they have been replaced respectively by Pierre Michel Sajous and Johnson Bazelais]

Businessman Shot by Gangsters in Port-au-Prince

PA2607211795 Port-au-Prince Radio Galaxie in French 1130 GMT 26 Jul 95

[FBIS Translated Excerpt] On the afternoon of 25 July, in upper Turgeau, Ansy Plaisimond, well-known businessman in the milieu, was shot in the head.

The gangsters, who fired repeatedly, were apparently waiting for him not far from his mother's home.

Plaisimond was rushed to the Canape-Vert Hospital. [passage omitted]

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Chinese Communist Party Leader Visits Mexico

PA2607211895 Mexico City NOTIMEX in Spanish 2129 GMT 24 Jul 95

[FBIS Translated Text] Mexico City, 24 Jul (NOTIMEX) — The Chinese Government believes Mexico will be able to solve its financial problems independently, Li Shuzheng, leader of the Chinese Communist Party, stated here today.

In an interview at the Federal District Assembly of Representatives, Shuzheng remarked that China and Mexico have been able to promote their economies thanks to friendly relations because "we believe this country will move ahead and will be able to overcome the current situation."

Shuzheng, who visited the Federal District Assembly of Representatives accompanied by a delegation of the Communist Party, said that the Chinese Government applies a goodwill policy that represents no threat to any party in the world.

Concerning the possibility of China being a threat to Japan, Shuzheng noted that the two countries are "friendly neighbors" and, therefore, they maintain respectful relations.

The Chinese visitor was greeted by Manuel Jimenez Guzman, president of the Federal District Government Commission, along with the members of the other parties represented in that legislative organization.

Jimenez Guzman served as Shuzheng's host and presented her with a plaque with the image of the eagle, the Assembly's logotype; a book written by former President Benito Juarez; and an identification emblem of the Mexican representatives.

On behalf of the Chinese Communist Party, Shuzheng handed him a replica of a painting made in bamboo, which will become part of the Assembly's patrimony.

Government Secretariat Issues Communique on Peace Talks

PA2607155295 Mexico City XEW Television Network in Spanish 0430 GMT 26 Jul 95

[Press bulletin issued by Mexican Government Secretariat on 25 July in Mexico City]

[FBIS Translated Text] With regards to the communique issued by the CCRI-CG [Clandestine Indian Revolutionary Committee-General Command] of the EZLN [Zapatist National Liberation Army] today, the Government Secretariat states the following: Since the beginning of the current administration, the government has established all the channels for dialogue to achieve a just and dignified peace in Chiapas. [numbering as heard] 2. The government itself and the parliamentary representations from all political parties in the Congress of the Union advanced the law for dialogue, conciliation, and peace in Chiapas to provide the necessary conditions to reestablish harmony and peace. 3. The EZLN delegates to the San Andres Larrainzar meeting have systematically obstructed these proposals and discredited government organizations with the clear purpose of blocking the agreements, which are precisely the ones that will generate the just and dignified peace that all Mexicans want in Chiapas. 4. The EZLN's request that the government delegation be disqualified prior to continuing the dialogue process contradicts prior agreements that allow us to execute the process included in the law and seeks only to delay a peaceful solution to the conflict. 5. The Government of the Republic validates the authority of its appointed delegation to continue the dialogue process in San Andres Larrainzar, as was previously agreed. 6. The Government Secretariat reiterates its willingness to study all other proposals that will contribute to the strengthening of a peaceful solution to the conflict. 7. The Government Secretariat urges the EZLN members to offer clear signs of their willingness to reach a concrete agreement to achieve peace and social justice.

EZLN Proposes Meeting Between Government Secretary, Marcos

PA2607153695 Mexico City XEW Television Network in Spanish 0430 GMT 26 Jul 95

[From the "24 Hours" newscast]

[FBIS Translated Text] The EZLN [Zapatist National Liberation Army] delegates attending the dialogue in San Andres Larrainzar on the evening of 25 July proposed a direct meeting between Government Secretary Emilio Chuayffet and Subcommander Marcos. Commander Tacho spoke on behalf of the delegation:

[Begin Tacho recording] We will speak to our brothers in the Clandestine Indian Revolutionary Committee-EZLN General Command about the advisability of holding a direct meeting between Government Secretary Emilio Chuayffet and insurgent Subcommander Marcos as long as this meeting is surrounded by the necessary security measures and guarantees. [end recording]

Commander Tacho explained the reasons for the proposal:

[Begin Tacho recording] We see no willingness among the current government representatives to listen to us. They continue to display an arrogant attitude; their intransigence could lead this dialogue to fail. [end recording]

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The EZLN statements are the result of an intense second round of dialogue that began at 1030 on 25 July. In the morning, the government delegation withdrew from the negotiating table a detente proposal it had presented to the EZLN during the second meeting in San Andres Larrainzar. In a communique, the government delegation said this decision was made to prevent the EZLN from using it as a pretext to justify further delays in reaching an agreement. The detente topic was temporarily closed but will be discussed later within the framework of the procedural rules.

The activities were marked by tension created when, during the evening of the first day of the meeting, the parties exchanged accusations that the other was delaying progress in the dialogue. In a document in which the government rejects an EZLN detente proposal as unacceptable, Ambassador Gustavo Iruegas said the EZLN delegates are liars who do not want peace but to gain time to continue lying and hiding behind masks in the mountains. The government delegate warned that peace will not be achieved through lies, falsehoods, and blackmail and added that they expect the EZLN to stop using such tactics. He urged the delegates of the armed group to adopt new tactics: to work in the true interest of peace and prosperity for Indians and to stop their campaign of empty statements, hoaxes, and lies to the Mexican people.

The EZLN accused the government delegation of lying and replied to a document that Conai [National Mediation Commission] gave them during the fourth dialogue on the procedural rules. The EZLN proposal insists there will be no simultaneous discussion of issues on the agenda and accuses Conai of endorsing the government's position on that issue.

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El Salvador

PDC Leader Accuses Calderon Sol of Lying About U.S. Pact

PA2607214295 San Salvador TCS Television Network in Spanish 1200 GMT 26 Jul 95

[Report by Jonas Herrera; from the "TCS News" newscast]

[FBIS Translated Text] The U.S. Government measure regarding Salvadoran immigrants is already drawing reactions. Reports refer to a refusal to grant amnesty to Salvadorans who entered the United States after 1991. Deputy Ronald Umana, secretary general of the PDC [Christian Democratic Party], said that this could be seen coming, because when the president talked about reaching a migratory agreement, he lied to the people.

[Begin Umana recording] All the propaganda that President Calderon Sol used to announce that he had settled the migratory situation of Salvadorans was a farce, a lie. We had our suspicions when he traveled to the United States and was not welcomed as part of President Bill Clinton's schedule. He had to talk with Clinton in another state, and to top it all, Bill Clinton greeted him at a stadium.

This moved the PDC to think that there was nothing formal or serious about this, and thus, they could not have discussed the migratory situation of the Salvadorans then and there. [end recording]

Umana pointed out that U.S. Ambassador to El Salvador Alan Flanigan had said that there was only a migratory plan, which had already been drafted. This contradicted the president's statements:

[Begin Umana recording] He claimed to have settled the migratory problems of Salvadorans in the United States. Today we received international news based on a statement by the U.S. Immigration Office itself, stating that between 1990 and 1995... [pauses] In other words, the Salvadorans who entered between 1990 and 1995 are not covered by the migratory situation [situacion] in the United States. Thus, someone is lying here. I do not think that it is the U.S. Immigration Office; I think that President Calderon Sol is lying. [end recording]

Finally, he demanded that Dr. Calderon Sol give the corresponding explanations to prevent the terrible damage that in his opinion a deportation will create.

Article Links FMLN To Strikes, Violence

PA2607151895 San Salvador EL DIARIO DE HOY in Spanish 24 Jul 95 p 15

[Unattributed Article: Strikes: An FMLN Mass Exercise]

[FBIS Translated Text] The renewal of strikes and street violence that has been taking place during the past few months is part of a strategy planned by the FMLN [Farabundo Marti National Liberation Front] that includes an early mass exercise mobilized by the unions in order to subsequently activate a destabilizing escalation of violence against the Calderon Sol government. This process would culminate during the 1997 election period. The previous assertion was recently made by Public Security Minister Hugo Barrera who accused the FMLN of instigating this violence. Documents obtained from various government sources, and also from left-wing organizations contain concrete information that implicate FMLN factions such as the Communist Party (PCES), the FPL [People's Liberation Forces], and the PRTC [Revolutionary Party of Central American Workers].

According to recent accusations launched by the Ministry of the Interior and Public Security, all the strikes currently affecting the government, Public Works Ministry, and Rosales Hospital, among others, are being promoted by well trained FMLN activists. Documents obtained by the government explain that the strikes are aimed at unleashing political activism, and street violence by using the union infrastructure to disguise the entire process as though the demands were to satisfy labor grievances.

However, what has become obvious to political analysts and observers of the phenomenon is that the left has begun a new strategy of political agitation that has, on the one hand, those belligerent groups capable of polarizing the positions of the "popular masses," and that of the "repressive government forces" - such as what already took place during the last incidents - and on the other hand, the "moderate left" with whom it is possible to negotiate.

This fact is highlighted in documents issued by the FMLN entitled "Toward a New Power Strategy 1994-97," "National FMLN Convention. Discussion Documents," and "Resolutions on the National FMLN Convention."

FMLN on its way to Power in 97

The document "Toward a New Power Strategy 1994-97," which is closely linked to Marxist-Leninist revolutionary principles, the FMLN entrusts the FPL, as a

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priority ingredient "... to resurrect the social feature of the left, encourage a new social struggle strategy, and as a main element of the proposal, prioritize social and economic grievances by the people in order to ensure new political supply..."

Likewise, the FMLN document regards "... the systematic wearing away of attempts by the ARENA [Nationalist Republican Alliance] government, at the national as well as local level..." as a fundamental part of its election strategy.

The previously mentioned guidelines are framed as part of the process that will activate "a social movement that will allow grievances by society and unions to become effective, and at the same time pave the way to a process of national changes."

Parallel to this, and as part of the political game, the FMLN is also determined to ensure objectives that are considered legal since accomplishing them does not entail the use of violence. Among these, we can mention "ensuring a change in the correlation of forces at the National Assembly in 1997 so that the opposition can control the assembly, and enable the left to play a predominant role;" as well as to "consolidate local power in those municipalities where the FMLN emerged victorious during the 1994 mayors election; and expand local government in hands of the left in such a way that will allow it to concentrate local power."

The completion of these objectives, according to the FMLN's document, is planned in such a way that "whatever we can accomplish during the next two years will determine the reach of 1997...."

Strategy on the Way

According to sources at the Security Ministry, the FMLN's strategy to attain power in 1997 has already been launched, and is proceeding at a rapid pace. As evidence of this the Security Ministry points to FMLN groups - PCES, FPL, and PRTC - that have been able to infiltrate unions and paralyze services, as well as administrative activities at the Public Works Ministry unions such as the ATMOP, and the ANTMOP [expansion unknown], as well as other state institution unions.

According to the same Security Ministry sources that Rosales Hospital strike has not been excluded from the context of this FMLN strategy where agitation has been attributed to the AGEUS [General Association of Salvadoran University Students] that focuses on the limited number of openings that are granted to medical students at private universities, and work grievances by resident physicians as main justification for the strike. The same line of action is being followed by unions at the Salvadoran Institute of Social Security [ISSS], ANTEL [National Telecommunications Administration], and other unions committed to the same strategic campaign.

While these events have taken place, some voices have been proposing that the government "negotiate" with the strikers in order to end the agitation. Conspicuous among these voices have been some FMLN leaders, but mostly those who represent the so-called "moderate left."

Analysts view this escalation in the number of strikes as an action that seeks to bring about results in the short run. Thus, on the one hand, street violence prompts destabilization and the government's political weariness, while on the other hand, it seeks to stir increasingly harsher responses from the government against actions that are presented to the local and international public as "spontaneous and legitimate demonstrations," motivated by the increase in taxes, rates of basic services, transportation fares, and by demands for salary increases and work benefits.

As a matter of fact, the instigators have begun with a systematic effort to taint the image of the National Civilian Police, PNC, which they portray as a repressive limb of the Arena [Nationalist Republican Alliance] government. This action intends to justify the incorporation of a larger number of FMLN members into the ranks of this organization, whose middle echelons - according to charges made by the deputies of the official party - are in the hands of that group.

Budget Director on 1996 Budget

PA2407161295 San Salvador LA PRENSA GRAFICA in Spanish 22 Jul 95 p 13-A

[From the "Economic Panorama" column by Roberto Aviles]

[FBIS Translated Text] Education, public health, citizen security, and housing are the priorities in the 1996 National General Budget, which will increase by over 1.8 billion colones in comparison to this year's budget.

This was reported exclusively to PANORAMA ECONOMICO by Reynaldo Roldan, general budget director at the Finance Ministry, who added that each institution must limit its spending to the figures established for distribution to them. The total preliminary budget is 13.6 billion colones.

To obtain the preliminary figures by areas of management, the Finance Ministry prepared the document called "Budget Policy for the Formulation of the 1996 Budget," which contains an analysis of the real public

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spending figures for 1994 and 1995, and the spending expected in 1996, in addition to the country's macroeconomic framework, which includes all of the economic variables (GDP [gross domestic product], inflation, economic growth rates, exchange rates, regular investment, regular savings.)

In 1996 the economy is expected to grow at a rate of 6 or 7 percent; inflation is expected to be between 6 and 7 percent; investment should increase by 21.4 percent of the GDP; the exchange rate should be approximately 8.75 colones; and the public sector nonfinancial deficit is expected to be 0.4 percent.

Regarding the public sector deficit, Roldan said that it must be understood that there are two deficits in this sector. "One is the public sector's nonfinancial fiscal deficit, and the other is the consolidated deficit," he said.

The consolidated deficit is obtained by entering into the books the deficits generated by autonomous institutions such as ANDA [National Administration of Waterworks and Sewers], CEL [Lempa River Hydroelectric Executive Commission], ISSS [Salvadoran Institute of Social Security], and ANTEL [National Telecommunications Administration], (the only one with a surplus) that amounted to 1.2 percent.

The nonfinancial deficit, which is produced by the state and the institutions it subsidizes, is 0.4 percent.

Budget by Areas of Management

According to the information provided by the Finance Ministry, the areas receiving the highest percentages are:

a. Social Development. It is the major priority in the budget. It will receive an allotment of 4.1926 billion colones, which is equivalent to 31 percent of the total budget. In 1995 this sector received 3.138 billion colones, which was 26.7 percent of the total budget.

Social development includes education, health, labor and social security, housing, National Family Secretariat [Secretaria Nacional de la Familia], Child Protection Institute [Instituto de Proteccion al Menor], Family Welfare (presidential scholarships), INDES [expansion unknown], assistance to communities, municipalities, special funds, and peace agreements.

Composition of the 1995 - 1996 General Budget by Areas of Management

1995 Total 11.7526 billion colones	Percentages
Justice and citizen security	15.5
National defense	7.4
Social development	26.7
Support for economic development	14.3
General obligations	8.5
Public debt	20.2
Cond. Adm. [expansion unknown]	7.4
1996 ...?	
Justice and citizen security	16.0
National defense	6.4
Social development	31.0
Support for economic development	12.8
General obligations	7.8
Public debt	19.9
Cond. Adm. [expansion unknown]	6.1

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b. Public Debt. The general budget director said that its share will increase but regarding the ratio total to share of the budget its percentage will decrease.

In 1996, 2.368 billion colones or 19.9 percent of the budget will be alloted for the public debt, while in 1995 it received 2.685 billion colones or 20.2 percent.

c. Administration of justice and citizen security: It will receive 2.157 billion colones or 16 percent. In 1995 it received a total of 1.820 billion colones, which was 15.5 percent.

This sector includes the Public Security Ministry, Justice Ministry, Legislative and Judicial Branches, attorney general offices and prosecutor general offices.

d. Economic development: It has been alloted 1.744 billion colones for 1996, which constitutes 14.3 percent of the total budget. In 1995 it received 12.8 percent of the budget or 1.688 billion colones. This sector includes the Economy Ministry, Agriculture Ministry, and Public Works Ministry.

Ordinary Budget Regular Expenses (in millions of colones)

	1993/94	1994/95
Payments	(?3,431.0)	3,874.5
Goods and services	635.7	833.5
Interest	1,220.3	(?1,129.4)
Trans. Fc. Ds. [expansion unknown]	1,138.8	2,234.6
Ordinary Budget Main Expenditures		
Ordinary:	7,155.8	8,082.1
Capital:	(?416.6)	927.6
Conc. meta prest. [expansion unknown]	159.5	110.7
General Budget		
Primary Unit	1994	Percentages
1. Education	1,405.6	14.7
2. Public Works	1,284.3	13.4
3. Pub. Health and Soc. Security	881.9	9.2
4. National Defense	866.5	9.0
5. Public Security	381.6	4.0
6. Judicial Branch	350.0	3.7
7. Finance	284.0	3.0
8. Agric. and Cattle-raising	253.1	2.6
9. Others	1,036.2	10.8
Subtotal:	6,743.2	70.4
General obligations	728.4	7.6
Public debt	2,111.0	22.0
Total:	9,582.6	100.0
	1995	Percentages
1. Education	1,755.9	14.9
2. Public Works	1,196.3	10.2

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	1993/94	1994/95
3. Pub. Health and Soc. Security	1,204.5	10.2
4. National defense	866.5	7.4
5. Public Security	1,068.0	9.1
6. Judicial Branch	507.9	4.3
7. Finance	313.5	2.7
8. Agric. and Cattle-raising	385.6	3.3
9. Others	1,081.6	9.2
Subtotal:	8,379.8	71.3
General obligations	1,004.2	8.5
Public debt	2,368.6	20.2
Total:	11,752.6	100.0
	1996	Percentages
1. Education	2,113.7	16.1
2. Public Works	1,180.6	9.0
3. Pub. Health and Soc. Security	1,367.8	10.4
4. National Defense	866.5	6.6
5. Public Security	1,349.5	10.3
6. Judicial Branch	519.3	3.9
7. Finance	303.8	2.3
8. Agric. and Cattle-raising	393.7	3.0
9. Others	1,211.3	9.1
Subtotal:	9,306.2	70.7
General obligations	?	?
Public debt	?	?
Total:	?	?

Antel President: Privatization Temporarily Suspended

PA2607035895 San Salvador EL DIARIO DE HOY in Spanish 24 Jul 95 p 24

[Report by Ismael Beltran-Solano]

[FBIS Translated Text] Privatization of the National Telecommunications Administration (Antel) has been temporarily suspended, but this does not imply it has been discarded, Antel President Juan Jose Domenech has said.

Domenech has said the temporary suspension has occurred because President Armando Calderon Sol and his economic cabinet "have had other different priorities on their agenda."

Domenech added that the process is moving ahead despite that difference in priorities. Recently, the president and the economic, finance, and planning ministers proposed the creation of a regulatory agency that would oversee all of Antel's operations.

The agency would also oversee the work of television stations, radio stations, cable services, data transmissions, and satellite feeds.

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Honest Privatization

Domenech believes a good mechanism to guarantee an honest privatization process would be the Stock Exchange, as in the case of the Coffee Mill.

Regarding the distribution of shares, Domenech believes 30 percent should be in the hands of an operator such as Francetele, Telfonica de Espana, AT&T, or any other of the 11 prestigious worldwide firms, because they have the adequate technology and equipment.

Ten to 15 percent would be sold to Antel workers, "a large patrimony their future generations would inherit."

Domenech has revealed the possibility that 5 percent of the shares would remain in the hands of the Retirement Pension Fund, with which the pension funds of the nation's retirees would be benefited. Another 30 percent of the shares would always remain under government control in order to have funds for social development.

The remaining shares could be sold between small industrialists and businessmen, cooperatives, and the Association of Salvadoran Journalists (Apes).

Fomenting Free Competition

Domenech has described as dangerous the "absolute negation, the total blindness of the syndicate" in not allowing the privatizaton of the company.

Domenech added that the administration was seeking to open the sector to free competition and to attract investors from all countries in order to associate with local businessmen and compete with Antel.

Domenech added that the syndicate is avoiding competition, because it is afraid it will fail because it is not used to working like it should.

Domenech has expressed the above in "Today's Interview" on Channel 12. Domenech has stressed the improfitability of the company, although he has said it was totally inefficient because of its enormous bureaucracy.

Domenech added that this problem prevents it from resolving the huge telephone deficit existing in the country, estimated to be greater than 600,000 telephone lines.

Domenech has said Antel would need approximately $1 billion to improve the telephone deficit. First, Domenech has recognized that the company does not have the loan capability and that second, it does not have the capability to respond, because it has the same bureaucracy that governs all the state apparatus.

For example, a contract to approve any bid takes four or five months in the Court of Accounts, and Antel cannot award the bid to the supplier if it is not approved.

Likewise, Domenech has said the administration is thinking of privatizing Antel whether it is profitable, because it wants Antel to be highly productive both financially and operationally.

In December, members of the economic cabinet announced an "aggressive privatization policy," which, in reality, has not advanced very much.

Guatemala

President Warns CIA Report May Cause 'Serious' Consequences

PA2607224395 Panama City ACAN in Spanish 2041 GMT 26 Jul 95

[FBIS Translated Text] Guatemala City, 26 Jul (ACAN-EFE) — Guatemalan President Ramiro de Leon said today that a report on CIA operations in Guatemala could bring about "serious" worldwide consequences for the U.S. Government.

De Leon reacted at an improvised news conference to journalistic versions that publish a report in which CIA Inspector General Frederick Hitz admits the serious mistakes made by agents in this Central American country.

An in-house CIA investigation concluded that its agents in Guatemala committed serious mistakes, but did not take part in any crime whatsoever in connection with the death of a guerrilla and a U.S. citizen.

The report does not directly blame Guatemalan Colonel Julio Roberto Alpirez, a CIA informant, for the deaths of guerrilla commander Efrain Bamaca Velasquez, who was executed in 1992, and Michael DeVine, a hotelier murdered two years before.

"I have press reports but no official version; therefore when we have it from the CIA, we will proceed according to the law," the president said.

De Leon believes that the responsibilities of Guatemalans and U.S. citizens who have committed crimes here will have to be "deduced."

"They are confessing," he stressed and added that crimes are committed by those who are "recipients" as well as those who "pay" for them to be committed.

"It is a delicate and complicated affair of incredible dimensions for the United States; this is going to have worldwide repercussions because, imagine what the confession means if it is confirmed," he said.

For the Guatemalan president the "intervention" in the internal affairs of other countries "is something we have always been aware of," but a "confession" of this nature

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will entail more problems for the United States than for Guatemala, he insisted.

The CIA report confirms that Alpirez worked as a CIA informant, which has been repeatedly denied by the military officer and by President De leon, who preferred not to comment on the actions he will take against the officer.

He also refused to comment on an alleged action of "treason to the fatherland" perpetrated by Alpirez, who may have also been involved in drug trafficking while serving as a CIA informant.

According to De Leon, the Guatemalan Criminal and Military Codes establish this type of offense, but reiterated that he cannot comment until he learns about the official report.

The scandal involving Colonel Alpirez, who was suspended from duty by the Army High Command, was uncovered last March by Congressman Robert Torricelli, a member of the Espionage Committee of the U.S. House of Representatives.

After the accusation made by Torricelli, it was confirmed that the guerrilla Bamaca, married to U.S. citizen Jennifer Harbury, died after being captured alive by the soldiers following a clash in the mountains of south Guatemala on 12 March 1992.

Panama

Assembly Eliminates Article on Cellular Telephone Use

PA2207004795 Panama City LA PRENSA in Spanish 18 Jul 95 p 2A

[Article by Rolando Rodriguez B.]

[FBIS Translated Text] The Legislative Assembly plenary approved yesterday in the third and final reading a draft bill modifying the law on cellular telephones and eliminated controversial Article 19, which granted a franchise on mobile cellular telephones to legislators.

The text of the draft law, which was vetoed by President Ernesto Perez Balladares for being "inappropriate and unwarranted," was read before the plenum and approved unanimously in less than a minute (a new world record) with no legislator saying anything.

The draft law will be sent to the executive branch for approval. According to law, the president has 30 days to approve or veto it.

The people and media have harshly criticized the legislators for introducing Article 19, which gives them, their alternates, secretaries, and under secretaries free use of a mobile cellular telephone.

During the debate on the draft law, after it was vetoed by the president at the request of the same legislators who had approved it, the legislators insisted that the free use of a mobile cellular telephone was intended for work purposes only, especially for those legislators from circuits in remote regions with difficult access.

Nonetheless, Assembly President Balbina Herrera said the legislators could pay for the use of a mobile cellular telephone from their wages and that, regardless of the reason for having such a telephone, the fact that they had introduced such an article into the law was a mistake and had to be recognized as such.

UTP Official: Intel Hindering Internet's Development

PA2007171495 Panama City LA PRENSA in Spanish 19 Jul 95 p 4A

[Report by Hermes Sucre Serrano]

[FBIS Translated Text] The existence of monopolies in Panama, such as the National Institute of Telecommunications (Intel), has prevented the Panamanian Academic Network from taking advantage of the commercial development of Internet to subsidize the network nationwide, according to Ernesto Regales, assistant dean of research, postgraduate and branch studies of the Technological University of Panama [UTP].

Regales sent an open letter to Juan Morales, executive director of the University of Panama Foundation, in which he deplored "the circulation of mistaken and unfavorable concepts" pertaining to the Internet network in Panama.

Morales, who announced that the foundation will market the network as of 1 August, said "the UTP held the marketing rights to Internet for four years and did nothing. Therefore, it has no right to criticize us."

In reference to the above, Regales explained that what the UTP obtained four years ago was the Bitnet network, which is devoted exclusively to academics and research, which was the most important field worldwide before Internet came into existence.

Regales said that from the beginning, the UTP never thought of carrying out this project by itself; instead, it constantly invited Santa Maria La Antigua University (USMA) and the University of Panama to share in the network's administration.

Regales denied Morales' arguments that the Bitnet concession was obtained through negotiations with the former Guillermo Endara administration and attributed any

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rapprochement with the Endara administration to simple talks to lower communication costs for the education sector to a minimum.

"It is easy to challenge what a government institution has accomplished in a year, an institution that had no access to the profitable part of Internet, which has no investment budget allocation for 1995, and besides, has had to finance all the expenses of the networks in question with self-generated funds," Regales concluded.

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Argentina

Public Workers Stage Violent Rallies in San Juan

PY2607180895 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1641 GMT 26 Jul 95

[FBIS Translated Excerpt] San Juan, 26 Jul (NA) — Grave confrontations between police and public workers continued after midday in this capital, causing an undetermined amount of damage and leaving several injured.

Shortly before noon, this city's downtown area became a virtual no man's land with columns of public workers furiously marching to protest over the delay by the government to pay their salaries and over the decision to reduce salaries that exceed 400 pesos. A large number of police agents were sent to control the situation.

The police used rubber bullets and tear gas to try to disperse the demonstrators, but were met by a shower of rocks, the breaking of windows, and the burning of some vehicles, including an ambulance and a patrol car.

Several people were slightly injured. Their exact number could not be determined at noon today because of the widespread confusion.

Among those with rubber bullet wounds are two television journalists and a Radio Nacional reporter.

In Buenos Aires, the national government quickly decided to send between 200 and 300 border police to the city and place them at the disposal of San Juan Governor Jorge Escobar.

The rallies of the past few days were aggravated this morning when hundreds of employees took over the 9 July Building, where the Economy Ministry has its offices. [passage omitted]

Leaders of the Provincial Teachers Union (UDAP), which represents primary school teachers, took over the Education Ministry shortly after 2100. They are still there.

Pensioners this morning blockaded Mitre Street on the corner of Mendoza Street, at the movie theater where they were supposed to have collected their pensions. They could not collect their money because of a mistake in the payroll.

Teachers are also planing to organize a soup kitchen in front of the ministry they are occupying. So far they have not been disturbed.

Teachers demand the payment of their June salaries and some part payment of what is owed them from November of last year.

They repudiated a decree signed by Governor Escobar establishing a 20 percent salary cut on public employees' salaries and a 30 percent cut on teachers' salaries. [passage omitted]

Governor Blames 'Activists,' Unions

PY2707033495 Buenos Aires TELAM in Spanish 2004 GMT 26 Jul 95

[FBIS Translated Text] San Juan, 26 Jul (NA) — San Juan Governor Jorge Escobar today blamed "leftist activists and some trade union sectors" of San Juan Province for the serious incidents that took place during a state workers rally.

Escobar emphasized that the disturbances have been sponsored by "sectors that intend to destabilize democracy" in San Juan Province. He said those responsible for the disturbances "have been clearly identified."

The provincial governor pointed out that the attitude taken by the trade unions of state workers "does not encourage the holding of talks for finding solutions." He asked provincial workers "not to delude themselves."

In remarks to journalists, the San Juan governor said: "Some trade unions of state workers say their only proposal involves a plan of struggle, and the Medical Union [Agremiacion Medica] says it will expel all the professionals who work for the provincial administration. Based on these claims, we can surmise the source of all this."

Escobar pointed out that this type of attitude "can no longer be tolerated" because "everyone knows that our province is experiencing an economic and financial crisis." He said his administration would not surrender to those who "intend to impose their personal interests on the common good."

The San Juan governor indicated: "The crisis will not be solved by burning tires or destroying public and private property, but by pointing out to the government the poverty and corruption pockets."

The San Juan governor added that the 40-percent reduction of state workers' wages, implemented by his administration, is the "lesser evil" chosen by his administration.

Escobar emphasized: "If we don't reduce the wages, we would have to leave 9,000 people without a job. With this measure, we are aiming at protecting jobs rather than protecting wages."

Escobar "apologized" to the people who were beaten up during the disturbances, emphasizing that the provincial government "would take the appropriate measures to prevent this from happening again."

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Menem Tells Trade Forum Economic 'Crisis' Will Be Overcome

PY2707033895 Buenos Aires TELAM in Spanish 1508 GMT 26 Jul 95

[FBIS Translated Text] Buenos Aires, 26 Jul (TELAM) — Facing more than 500 Latin American bankers, President Carlos Menem today emphasized that Argentina would overcome the crisis prompted by foreign factors. He noted that if the country had not been preparing and transforming itself since 1989, the situation could have been dramatic.

Describing the situation prompted by the Mexican devaluation in December, Menem said: "We have been enduring a very hard crisis prompted by foreign, and not domestic, factors. Without a trace of doubt, we will overcome it."

The president pointed out: "If Argentina had not been preparing itself since 1989 by totally changing its structures, reforming the state, implementing a market economy, and fighting the deficit, the situation could have been dramatic at this moment."

The president stressed: "We have been bearing the brunt of this crisis and we are overcoming it. Nevertheless, we have some problems, but we will solve them."

During the opening ceremony of the 11th Latin American Foreign Trade Congress at the National Bank building, Menem also emphasized the Mercosur [Common Market of the South] prospects.

In this regard, the president emphasized the importance of resolving the regional crises. Nevertheless, he noted: "We cannot do this alone, but together. Therefore, the Mercosur effort is essential."

The president added: "Thus, it is important to mention the possibility of establishing, in Madrid, Spain on 15 December, a free trade zone between the Mercosur and the European Union (EU)."

Focusing on the 15 December meeting in Madrid, Menem explained that it is necessary "to receive the support of bankers because the four [Mercosur] presidents will meet with 15 European presidents. The United States is also pursuing this path, and we cannot miss this historic opportunity."

The 11th Latin American Foreign Trade Congress was opened by National Bank President Aldo Dadone, who welcomed the 500 Latin American bankers.

Antonio Capobianco, the Latin American Foreign Trade Organization chairman, and Cesar Ochoa, the Argentine governor of the Latin American Banking Federation, spoke after Dadone.

Cavallo Links Labor Reform, Efforts Against Unemployment

PY2707033795 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1028 GMT 26 Jul 95

[FBIS Translated Text] Buenos Aires, 26 Jul (NA) — Economy Minister Domingo Cavallo has said that the government, "given the much delayed labor reform," is facing a growing unemployment problem in the country, insisting that "if these labor laws had been in effect as of 1991, we would have spared ourselves the problem caused by this unemployment increase."

"Congress has practically approved the entire package of labor reform laws. The solution is, therefore, already here," Cavallo said last night when talking about the measures the government would adopt to fight the growing unemployment problem.

On the occasion, the minister again made charges against legislators whom he said had delayed the approval of labor laws.

"Anywhere in the world, deep reforms are only possible when society realizes that a crisis is really grave," Cavallo said, adding that in the past "we did not have the necessary consensus" to have the package of labor laws approved.

The minister said: "Growth and stability made everybody optimistic that jobs would also be created rapidly, but things did not turn out that way."

Cavallo, however, admitted that he feels "responsible" for "some executive branch mistakes," adding that "last April's labor tax increase was a very grave mistake."

"The level of employment was dropping at that time and the labor tax increase was a mistake we will reverse immediately," the minister said during the program "Tiempo Nuevo."

Cavallo added: "We must all recognize our mistakes," and he criticized entrepreneurial leaders in the commercial area by attacking the collective labor agreement they signed with their unions.

The minister once more addressed the population to explain that "there are no reasons to be pessimistic" with respect to the unemployment picture in Argentina, promising: "We will be very well again shortly."

"Many people are becoming pessimistic at this time. There is no basis for this pessimism. If many people think they are going to lose their jobs next month, they will end up fulfilling their own prophesy," the minister said.

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Cavallo asked television viewers to put their pessimism aside; otherwise, "we will experience a negative mood that is not based on reality."

Cavallo defended the economic plan, saying that the government "is implementing the correct policies, and we must continue on this path and face the new facts with the same energy we used when we had to face hyperinflation."

The economy minister reiterated his opposition to increasing gasoline prices in order to solve the employment crisis, saying that "we must work to see that the price of everything that can be reduced is actually reduced."

Union Report Recommends Measures Against Unemployment

PY2607010295 Buenos Aires TELAM in Spanish 2038 GMT 25 Jul 95

[FBIS Translated Text] Buenos Aires, 25 Jul (TELAM) — It was reported today that the removal of all labor taxes on new jobs for one year and the appropriation of subsidies for unemployed people in exchange for labor in public works projects are the main proposals that have been raised by the Argentine Industrial Union (UIA).

Therefore, the UIA leadership rejected an idea proposed by some UIA leaders; namely, reducing wages to create new jobs and reduce the unemployment rate, which reached 18.6 percent in May.

After meeting today, the UIA leadership drew up a report, recommending that the government "create a new labor system for times of crisis, effective for one year alone, and remove all labor taxes on new jobs created by the existing companies."

In this regard, the UIA also proposed "to resume the course of removing the taxes imposed on the production sector under the [Federal] Fiscal Agreement, reinstating the former labor tax system."

The UIA also wants the reorganization of the National Employment Fund [Fondo Nacional de Empleo], an organization that is currently channeling all the funds allocated for creating new jobs and training.

According to the industrialists, "the employers' contributions surplus from the Family Allocations Fund [Fondo de Asignaciones Familiares] (7.5 percent of all salaried workers)" should be added to the National Employment Fund. By so doing, the National Employment Fund would have about 3 billion pesos available.

In the UIA's opinion, with this amount available, the government could pay wages to heads of families who are willing to labor a full working day in "public works projects awarded by the national government, provinces, or municipalities."

In addition, these funds could be used for training and labor retraining courses that have to be "directed towards specialties solicited by companies."

But, as "not all unemployed people are in a position to work eight hours digging ditches," the UIA also recommends to raise subsidies, using part of the 3 billion pesos.

If the proposal raised by the industrialists is approved, this economic assistance could be requested by unemployed people who are over 50 years of age or by "other special brackets," who would be asked to work half of a full working day in community activities or participate in [training] courses.

The UIA report explains: "Both the labor emergency wage and the subsidy will be effective for six months and may be extended for another six months only once."

If there are any funds left, the industrialists want the implementation of a program to transform small and medium-sized enterprises and the establishment of two special funds for supplying loans at convenient interest rates for PyME [Small and Medium-Sized Enterprises] and for activities that will create a significant number of jobs.

Nevertheless, the UIA leadership explained that these are "emergency" measures because "the only way of supplying solutions to the employment crisis experienced by our country consists of guaranteeing the atmosphere for productive investments."

Brazil

Landless Farmers Burn Patent Bill in Front of U.S. Embassy

PY2707001695 Sao Paulo AGENCIA ESTADO in Portuguese 2249 GMT 26 Jul 95

[By Raquel Stenzel]

[FBIS Translated Text] Brasilia, 26 Jul (AE) — Five thousand workers linked to the Landless Farmers Movement today symbolically burned, in front of the U.S. Embassy in Brasilia, the patent bill being debated in Congress. The demonstrators hurled corn against the embassy gates and let a pig loose to protest the possibility that Brazil will adopt a new law on intellectual property that, in the opinion of the movement, would make it impossible for the small farmers to have access to new varieties of seeds.

They also burned an effigy symbolizing "U.S. imperialism," and the Brazilian Government's "neoliberal

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project" which, according to the demonstrators, is supported by the United States, the IMF, and the World Bank. Representatives of the Landless Farmers Movement have been received by U.S. Ambassador Melvyn Levitsky, to whom they handed 5,000 letters requesting the release of U.S. union leader Mark Curtis, who has been in prison since 1988.

They also handed the ambassador a document criticizing some policies adopted by the U.S. Government, such as its support for the approval of the bill on patents by Brazil, demands for the payment of the Brazilian foreign debt, and the neoliberal project. In addition, the Landless Farmers criticized the U.S. "interventionist policy" and its economic blockade against Cuba.

According to the Military Police, the Landless Farmers' demonstration is one of the largest ever staged in front of the U.S. Embassy in Brasilia. At first, 150 police had been sent to the site, but the U.S. Embassy requested reinforcement of the police forces, for fear of riots. Ultimately, a total of 320 military police were charged with the Embassy's security.

Some Workers Party [PT] congressmen delivered speeches from a sound truck parked in front of the embassy. They criticized the Brazilian Government and even U.S. policies. Deputy Jose Fritsch (PT - SC) [PT - Santa Catarina] said "the United States materially symbolizes imperialism." Former Deputy Jose Dirceu (PT - SP) [PT - Sao Paulo] said that from August on, the PT — supported by its grass-roots organizations — will confront President Fernando Henrique Cardoso's administration.

After the demonstration staged in front of the U.S. Embassy, the 5,000 landless workers went to the Agriculture Ministry, where they delivered a list with the movement's claims. A similar list will be handed to the president of the Republic at 1100 tomorrow. The demonstrators have harshly criticized Agriculture Minister Jose Eduardo de Andrade Vieira, who is in the PRC, and symbolically "buried" the Ministry's building.

The list of the Landless Farmers Movement claims has 42 items. Among these is the inclusion into the agrarian reform of the land the Bank of Brazil has been receiving as payment for the farmers' debts. The landless farmers request special credit lines for the installation of agroindustries and irrigation projects in the settlements, lower interest rates, and guarantees of minimum prices for agricultural products. Concerned with the scarce budget allotments earmarked for the Incra [National Land Reform and Settlement Institute], the movement also wants the Incra to be directly linked to the Presidency of the Republic.

Over 1 Million Reals Used for 'Secret' Expenses

PY2707035395 Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Jul 95 Section 1 p 9

[Article by Gustavo Krieger]

[FBIS Translated Text] The Fernando Henrique Cardoso administration spent 1.4 million reals [R] on "secret or reserved services" this year.

The "secret funds" is a public expenditure listing not controlled by the National Accounting Office, an office that, in turn, is subject to the Chamber of Deputies, which controls the expenditures of federal resources.

The purchases and contracts made with these funds are not required to be specified in the Siafi [Integrated Financial Management System], to which the congressmen have access.

The expenses are listed as payments for the execution of secret programs or services.

The organization that used such funds and the reasons for payment are not specified.

Control

Deputy Augusto Carvalho (PPS-DF) [Popular Socialist Party-Federal District] favors controlling such expenses. According to him, it is important to discuss "the quality of public expenses."

He says that besides cutting and reducing expenses, the government must learn how to spend, avoiding the waste of funds.

He believes that it is dangerous for public expenses to be registered under the "secret program" item.

The Aeronautics Ministry is responsible for most of the secret expenses made during the Cardoso administration.

Secret Contracts

The Aeronautics Ministry War Materiel Directorate has spent R1.05 million this year with "secret" contracts.

In the Siafi, the expenses are identified simply as payment for "war related services."

The list of public organizations that make secret expenses includes some organizations that are not considered strategic.

The Ceara Federal Technical School spent R665 [amount not further specified] of the federal government secret expenses to pay "secret services with regard to the reproduction and placing in envelopes" of exam results.

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"Secret" expenses have also been made by the Federal Agrotechnical School of Santa Teresa, or the Lavras Federal University.

The greatest expenses are concentrated in the military ministries.

Beside the Aeronautics Ministry, the Navy spent R165,000 reals from the secret funds.

Another Aspect

The media advisory office of the Presidency of the Republic did not want to comment on the volume of secret expenses made by the federal government.

FOLHA also sought the Aeronautics Ministry media center.

The center answered that it could not provide information about the expenses involving the secret funds because they are "secret."

Central Bank Director on Balance of Payments, Deficits

PY2607155595 Rio de Janeiro O GLOBO in Portuguese 23 Jul 95 p 50

[Interview with Central Bank President Gustavo Loyola in Brasilia by Silvia Faria and Adriana Chiarini; date not given]

[FBIS Translated Text] [O GLOBO] We have learned that only four of the 10 largest Brazilian banks have not resorted to low cost Central Bank loans [redesconto] to close their accounts in the past 6 months, and that the banking system is having difficulties to adapt to a low inflation rate.

[Loyola] There certainly is some problem. The change from a chronically inflationary system to a stable one affects the banking system. In the case of Brazil the change has taken place within an extremely strong system with a good degree of capitalization.

[O GLOBO] The financial market is working with an expectation of higher interest rates because it expects an inflation upsurge in September. Will those who bet on this possibility lose?

[Loyola] I believe so. Current interest rates are owed far more to a monetary policy than to inflation.

[O GLOBO] What will happen now that investment funds will be forced to invest in public titles?

[Loyola] I think the maturity terms of the financial system will extend gradually. This will benefit both private and public borrowers. Longer term financing for the public sector will only become true through a fiscal reform that will allow the repayment of part of public debt.

[O GLOBO] What will change with the regulation of Article 192 of the Constitution on the financial system?

[Loyola] A new law will give the Central Bank better conditions to supervise banks. The current law is very strict over some things and has gaps in other fields. Modern laws in all countries hold banks responsible for their deposits. For example, banks are responsible for money laundering, phantom accounts, accounts held by front men, etc. Law No. 4,595 did not foresee this.

[O GLOBO] We registered a trade deficit for the sixth consecutive month and therefore need a $700 million trade surplus per month to close our accounts by the end of 1995.

[Loyola] Regarding the balance of payments you need to look to the future. There is no way to change the past. The government goal is not the 1995 results, but the performance of our accounts from now on.

[O GLOBO] What is that goal?

[Loyola] Monthly trade balance deficits will be reversed so that in the next 12 months we will certainly register a surplus. The deficit in the first half of the year has already been financed and our level of reserves has returned to last December's level.

[O GLOBO] Have our reserves already reached $35 billion?

[Loyola] They are more or less similar to that of December. I will not give figures.

[O GLOBO] The belief that prevailed at the end of 1994 was that it was desirable to reduce our trade balance surplus to avoid a monetary impact. Has this changed?

[Loyola] There is a false belief here that a deficit is necessarily bad and that a surplus is necessarily good. It is not so. If you have a determined deficit because of some temporary circumstances, it is often preferable to finance this deficit and make adjustments in some part of the economy to generate employment in other sectors. There are some people who simply say: "Devalue the currency and solve the problem."

[O GLOBO] Are you saying the priority is to control inflation? Soon after the Mexican crisis, Central Bank directors said that the priority was to balance our external accounts...

[Loyola] Our priority is inflation, but our external accounts must be balanced.

[O GLOBO] Projections of our balance of payment deficit range between $15 and $20 billion.

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[Loyola] That is correct. We are a country that imports capital. We will register a deficit in our current account of between 2 and 2.5 percent of our GDP.

[O GLOBO] What about the financial outlook? Some say speculative capital can leave the country very fast...

[Loyola] That is not so. It is true that capital is now more volatile the world over, but that does not mean you can classify certain types of capital as more volatile than others. Short-term capital could stay in the country for a long time and long-term capital could stay for a short time.

[O GLOBO] What can be done to safeguard the country from speculative capital?

[Loyola] One can now withdraw money from Japan and place it in Frankfurt in a second. I think this can be resolved through a system of cooperation among the central banks of the world, but it must be a very well-studied system.

[O GLOBO] Is a massive arrival of foreign investments expected for 1996?

[Loyola] Foreign investments will increase, but I cannot tell whether it will be a massive inflow. However, we do notice great interest by foreigners.

[O GLOBO] Maria Silvia Bastos Marques, the Rio de Janeiro State financial secretary, criticizes the exchange of Sao Paulo Municipal bonds for Central Bank ones. She says the Central Bank favors administrations that spend more.

[Loyola] The transaction was limited to bonds held by Banespa [Sao Paulo State Bank]. The idea has always been to solve banking problems, that is, state bank problems. It does not mean the Central Bank favors anyone.

Colombia

Peace Commissioner Holmes on Decision To Resign

PA2607140995 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 25 Jul 95

[Telephone interview with Carlos Holmes Trujillo, Colombian high commissioner for peace, by Carlos Diaz; from "Caracol's 0600 to 0900" newscast—live]

[FBIS Translated Text] [Diaz] We are talking with High Commissioner for Peace Carlos Holmes Trujillo, who has announced that he has agreed to be a member of the National Liberal Party Board of Directors but that he will not formally resign as high commissioner for peace until he has presented a report on the work the president entrusted to him; that is, assessing the possibility of talks with the rebels. Good morning, Mr. Holmes.

[Holmes] Good morning, Carlos. I'm glad to talk with you.

[Diaz] We would like to discuss your decision to accept a political position instead of staying in the post the president assigned to you to find the means for a peace agreement with the guerrillas.

[Holmes] I explained it sufficiently in my communique yesterday. As I said, I will not formally resign until I complete the task the president has assigned to me; that is, until I have made a full assessment of what has happened since 7 August and prepared a document on international humanitarian law that will discuss the last known communication from Manuel Perez [reported new National Liberation Army, ELN, leader] on the subject. In addition, I must look into some alternatives that could make it possible to overcome the obstacles that have arisen to choosing a site for an eventual first meeting with the FARC [Revolutionary Armed Forces of Colombia]. Also, I must draft a reply to the last known communication from Jaime Bateman Cayon. The document also discusses some elements that have to do with Francisco Caraballo's group and my meetings with various organizations to give impetus to the Permanent Forum for Peace. In other words, I must finish some duties that have been assigned to me by the president.

[Diaz] Did you read the message sent to you by the ELN leaders who are in prison?

[Holmes] I heard something about it on the radio, but I am not familiar with the text.

[Diaz] It is a very brief message that reads as follow: What happened to you, Mr. Holmes? How sincere was your work for peace? Or was it simply a springboard for your political career? Did you prefer the delights of politics over the hard work and sacrifices of procuring peace? The message later says the country, the Guerrilla Coordinating Board, and the international community require a satisfactory explanation. Do you think this message deserves a response?

[Holmes] All of that was answered in the communique I issued yesterday. In specific reference to the ELN, the document I am working on will deal with aspects related to international humanitarian law. Manuel Perez' most recent communication will be made public this week.

[Diaz] Did disappointment over the guerrillas' lack of political willingness force you to accept a new position and become a member of the new Liberal Party board of directors?

[Holmes] No, not exactly. I acted spontaneously. We must, admit, however, that the peace process is in a difficult period that is full of complexities. There is

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a great deal of uncertainty. Nevertheless, how some aspects are handled could eventually pave the way for a political solution in Colombia. Regarding this subject, I will explain yesterday's communique in more detail. For instance, the alternatives. I think if the site of the talks becomes a nearly insurmountable obstacle as things are evolving, it would be well worth the effort — I am speaking in theory — to consider some other place for a preliminary meeting. The document that will be made public on international humanitarian law is a pillar of the president's peace proposal and very complete. We must admit that Manuel Perez' communication, the response to the Jaime Bateman Cayon movement, and the treatment of EPL [People's Liberation Army] elements are significant for the country. Summing up, this is a difficult time, a time of uncertainty. The willingness to reach an agreement, which has marked President Samper's proposals, has not been reciprocated by the guerrillas. This harms the country's credibility very much, but the search for peace must be a permanent effort, an effort never abandoned. The door to a political solution must remain open.

Former Campaign Treasurer for Samper Arrested

PA2707014995 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 27 Jul 95

[Report by journalist Yolima Celis; from the Attorney General's Office in Santa Fe de Bogota; from the "Seven O'Clock Newscast"]

[FBIS Translated Text] Just as we announced a few seconds ago, Santiago Medina, former treasurer of President Ernesto Samper's campaign, had voluntarily testified in connection with drug money's infiltration into the political campaigns. He was arrested upon instructions from the Attorney General's Office, and he has been turned over to faceless prosecutors, who will question him.

Extra! This is extraordinary information from the "Seven O'Clock Newscast", so you may hear about it first!

[Celis] Yes, indeed, a significant situation occurred at the Attorney General's Office a few minutes ago. President Ernesto Samper's former campaign treasurer has just been arrested by the technical corps of the Attorney General's Office. He has been tied to the much-publicized Process 8,000, given the use of drug money in the presidential campaigns.

Treasurer Santiago Medina voluntarily arrived at the Regional Attorney General's Office to testify. An arrest warrant was issued today against him, and he was arrested in northern Santa Fe de Bogota 15 minutes ago. The Attorney General's Office will issue a official communique in a matter of minutes with this important information for the country. That is all the information we have from the Attorney General's Office. Back to you at the studios.

Ecuador

Foreign Minister Leoro Confirms Agreement With Peru

PA2607185195 Quito Voz de los Andes in Spanish 1700 GMT 26 Jul 95

[From the "Voz Andes" newscast]

[FBIS Translated Excerpt] Peru and Ecuador have reached an agreement to demilitarize the conflict area between the two countries during talks at the defense ministers' meeting in Williamsburg, United States. A high-ranking official of Brazil — one of the coutries that has mediated in the conflict — made this announcement. [passage omitted]

This news was confirmed by Ecuadoran Foreign Minister Galo Leoro Franco who said that this agreement will come into force on 1 August. Mariela Cevallos filed this report from Congress:

[Begin recording] [Cevallos] Foreign Minister Galo Leoro Franco this morning advanced that Ecuador and Peru reached a demilitarization agreement that would begin on 1 August. Here is an excerpt of his statements:

[Leoro] [Words indistinct] and I will say nothing, because we agreed that the MOMEP [Ecuador-Peru Multinational Observation Mission] will issue that communique.

[Unidentified Reporter] [Words indistinct]

[Leoro] That is correct.

[Reporter] Will it be inforced immediately?

[Leoro] Beginning on 1 August. [end recording]

Foreign Minister Galo Leoro this morning visited the Economic Affairs Commission at Congress to brief its members on the progress of Ecuador's negotiations to join the WTO. He said that Ecuador will be part of this world organization before end of year.

MOMEP Issues Communique

PA2607192695 Paris AFP in Spanish 1827 GMT 26 Jul 95

[FBIS Translated Text] Quito, 26 Jul (AFP) — According to a communique issued by the Ecuador-Peru Multinational Observation Mission (MOMEP) in Quito today,

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Ecuador and Peru, which have just defined a demilitarized zone at their common border to prevent confrontations, will each maintain only 50 armed men at the posts of Coangos and PV1 (Watch Post One), respectively. General Cesar Duran, Ecuadoran deputy defense minister and MOMEP liaison, handed the document to AFP and said the demilitarized zone will be defined as the ground and aerial territory falling within straight lines drawn from four points in the Amazon jungle of the two countries.

Duran said that in compliance with the Itamaraty Peace Declaration, and in view of the good disposition displayed by the governments of Lima and Quito, an agreement was reached today to define a demilitarized area that will allow them to continue the detente process.

The document presented by the military official lists the following points that will define the demilitarized zone: Point 1: 9607000/789000; Point 2: 9607000/813000; Point 3: 9622000/813000; and Point 4: 9636000/789000.

He added that the demilitarized zone will be defined as an area in which "no forces or military elements of the two parties may be introduced aside from those previously authorized by MOMEP." Duran explained that such exceptions "are Coangos for Ecuador and PV1 for Peru, at which there will be a maximum of 50 armed troops."

The Ecuadoran general noted that "military flights cannot be made without the authorization of MOMEP," the organization that will be tasked with enforcing the rules of the demilitarized area and maintaining the proper balance of forces on each side.

He added that the agreement will go into effect on 1 August "with the understanding that it in no way prejudges the rights and legal positions of either side and will apply solely to the application of the guidelines established for the demilitarized zone."

"The result of the negotiations is considered eminently positive for the peace process. It is viewed as the product of goodwill and a spirit of cooperation among the representatives of the countries at all times," the MOMEP communique states. The document expresses satisfaction for the support received from reporters of both countries.

Army Chief Urges Support

PA2707042795 Madrid EFE in Spanish 0205 GMT 27 Jul 95

[FBIS Translated Text] Quito, 26 Jul (EFE) — Ecuadoran Army Chief General Paco Moncayo today asked Ecuadoreans and Peruvians to congratulate the parties on the agreement signed Tuesday on the zone that will be free of troops in the common Amazon border and not "to stir up" the agreement in search of details that may adversely affect the peace process.

In statements to EFE, Moncayo responded this way to the counterproposal on the inclusion or not of the Ecuadoran military post of Banderas in the agreement in the zone that will be demilitarized beginning on 1 August.

"The keynote, honorable, and important part of the agreement on the zone to be demilitarized is the fact that both countries reached that agreement. If we begin to stir things up we encourage (...) Let us think about the consequences this may entail, because this, the stirring up, brings about internal consequences. We had better let the peace process continue its course," the chief of the Ecuadoran Army stated.

That is why, Moncayo excused himself from confirming or denying the statements made a few hours earlier by Ecuadoran Foreign Minister Galo Leoro and Alexander Watson, assistant secretary of state for inter-American affairs, that that military post "is not included in the demilitarization agreement" between the two countries in conflict.

Peruvian Defense Minister Victor Malca declared in the United States that the inclusion of Banderas in the demilitarization agreement "is not clear," while reports from Lima indicate that the aforementioned border post is indeed part of the zone that must be free of troops.

The corresponding agreement, signed at the Brazilian Embassy in the Peruvian capital, does not detail names but geographical locations: "The demilitarized area is defined by the land and airspaces included within straight lines drawn between the following points: 9607000 and 789000, 9607000 and 813000, 9622000 and 813000, and 9636000 and 789000."

Ecuador rejected the first demilitarization proposal which, in turn, was accepted by Peru. Ecuador argued that this proposal included the post of Banderas, situated in a zone that was not directly involved in the undeclared war the armies of Ecuador and Peru waged between 26 January and 28 February.

Supreme Electoral Tribunal President Views Plebiscite

PA2607195195 Quito Voz de los Andes in Spanish 2300 GMT 25 Jul 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Supreme Electoral Tribunal President Camilo Ponce has said he will not allow

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the plebiscite announced by President Sixto Duran-Ballen to coincide with the campaign for the 1996 general elections. We will not jeopardize democracy; this Tribunal will not allow the slightest possibility of an electoral fraud, Ponce said. He added that the plebiscite should take place before the beginning of the electoral campaign in January, or after the scheduled May 1996 elections.

Ponce noted that to summon the people for a consultation is legal and democratic, and more so in the case of discussing constitutional reforms, but it should be really a consultation and not a political mechanism to overcome a difficult situation. President Duran-Ballen summoned this plebiscite for a date not yet determined after Congress rejected various proposals for constitutional reforms.

Last Sunday Duran-Ballen announced to the country his intentions of summoning a plebiscite to consider changes in Congress rejected by the Legislative Branch, as he feels some of the proposals he made are essential for the country.

Peru

Nine Presidents Confirm Presence at Fujimori's Inauguration

PY2607150395 Madrid EFE in Spanish 0053 GMT 26 Jul 95

[FBIS Translated Excerpt] Lima, 25 Jul (EFE) — Peruvian Prime Minister Efrain Goldenberg, who also holds the post of foreign minister, today reported that nine Latin American presidents have confirmed their attendance at the inauguration of President Alberto Fujimori, who was reelected for a second term.

The presidents who have confirmed their presence to the 28 July ceremony are: Carlos Menem from Argentina; Fernando Henrique Cardoso from Brazil; Gonzalo Sanchez de Lozada from Bolivia; Ernesto Samper from Colombia; Eduardo Frei from Chile; Juan Carlos Wasmosy from Paraguay; Ernesto Perez Balladares from Panama; Julio Maria Sanguinetti from Uruguay; and Rafael Caldera from Venezuela.

Goldenberg added that the government leaders are scheduled to arrive on 27 July at the Eighth Air Group military airport near the El Callao port.

Goldenberg stated that Cuban President Fidel Castro's attendance has not yet been confirmed.

He added that Ecuador has yet to reply on the type of delegation it will send to the ceremony or to specify if it will be headed by Ecuadoran President Sixto Duran Ballen. [passage omitted]

Martha Chavez Elected First Woman President of Congress

PY2707033595 Lima America Television Network in Spanish 0100 GMT 27 Jul 95

[FBIS Translated Excerpt] New congressional leaders were elected this afternoon. For the first time in the history of our Republic, a woman was elected to chair the Peruvian Congress. She is Martha Chavez Cossio. Victor Joy Way was elected first vice president, while Carlos Torres y Torres Lara was elected second vice president, and Samuel Matsuda as third vice president.

Martha Chavez was elected with 72 votes versus 30 for her closest opponent, Daniel Estrada. [passage omitted] Martha Chavez will be president of the Peruvian Congress during the legislative period extending from 27 July 1995 to 26 July 1996. [applause] [passage omitted].

Chavez was then sworn in as the first woman to become president of the national Congress in 174 years of republican life. [passage omitted]

General Hermoza Confirmed as Joint Command Chief

PY2607132195 Lima EXPRESO in Spanish 17 Jul 95 p A2

[FBIS Translated Excerpt] General Nicolas Hermoza Rios, chief of the Armed Forces Joint Command, will remain in his job and will not be relieved this year. This confirmation was reportedly conveyed to him by President Alberto Fujimori.

Reliable sources told EXPRESO that Gen. Hermoza reportedly receives the support "of all military levels."

The sources said the Peruvian Government strategy, which was implemented by Gen. Hermoza as head of the Armed Forces, was reportedly praised by the Pentagon and the high military command of other countries of the continent.

President Fujimori confirmed Gen. Hermoza as the Armed Forces Joint Command chief last December, saying: "Gen. Hermoza will continue as head of the Armed Forces Joint Command. He has done a great job in the struggle against terrorism." [passage omitted]

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